(e) while proposing or implementing professionalisation of PSUs does it envisage and percolate down the line in the hierarchy; and

(f) the proformance comparing before professionalisation and after how it reflects?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) and (b) The policy of the Professionalization of Boards provides for requisite number of Functional, Government and non-official Directors.

(c) and (d) In respect of the appointment of functional Directors, the Public Enterprises Selection Board (PESB) may initiate action so that its recommendations are made at least 6 months in advance of the date of vacancy and sent to the concerned Administrative Ministry for completing other formalities.

The non-official Directors are appointed by the concerned Administrative Ministries and Departments on the basis of the recommendations of the Search Committee (for Navratna/Miniratna CPSEs) or PESB (for other CPSEs) after obtaining the approval of the competent authority.

The reasons for delay in some of the Board level appointments include court cases, delay in obtaining vigilance clearances/approval of competent authority, delay in taking over of charge by the appointee, sudden vacancies, revival of posts kept in abeyance as conscious decision by the concerned Ministries, etc.

(e) and (f) The professionalisation of boards is an ongoing process. For the year 2004-05, the net profit of all CPSEs was Rs. 65,429 crore as compared to Rs. 53,084 crore in the previous year.

Concession to Car Industry

635. SHRI T. S. BAJWA: Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government are aware that the car industry is going to face an unhealthy competition as the Tatas are going to set-up a small car project in West Bengal amounting to Rs. 2500 crores of which Rs. 1500 crores is to be donated by the State Government in the form of cost of land, building and refund of taxes.

(b) If so, whether these huge concession will endanger the survival of rest of the car industry; and

(c) If so, what steps Government propose to take to safeguard the car industry as a whole?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) to (c) The automotive industry has been delicenced in 1991 except for motor car which was also delicenced in 1993. The manufacturer is not required to obtain any licence from the Government for setting up the manufacturing facility. These investment decisions are taken by the manufacturers on commercial basis. Various State Government have their own policies for attracting investment in their respective States and also offer incentives to potential investors which can be negotiated by all such manufacturers.

Wage Negotiations in PSUs

636. SHRI TAPAN KUMAR SEN:
SHRI CHITTABRATA MAJUMDAR:

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government have issued guidelines for next round of wage negotiations in Public Sector Undertakings;

(b) if so, the details of the guidelines;

(c) whether the Trade Unions were consulted before issuing these guidelines; and

(d) if not, the reasons therefor?

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SONTOSH MOHAN DEV): (a) Yes, Sir.

(b) The Government has issued guideline on policy for the Seventh Round of Wage negotiations for unionized workers (which falls due on a general basis from 1.1.2007) in Central Public Sector Enterprises (CPSEs). The guidelines *inter alia*, stipulate that the management of CPSEs would be free to negotiate the wage structure, no budgetary support for the wage increase shall be provided by the Government, wage settlement would be for a period of 10 years with 100% DA neutralization with effect from 1.1.2007, wage revision in sick CPSEs registered with Board for Industrial and Financial Reconstruction (BIFR) after approval of the revival plan by BIFR and that such negotiated wages would not come in conflict with the